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AUTHOR Jones, Gary L.
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ABSTRACT

A new, national program of merit scholarships for college-bound students is advocated. The objective would be to identify students, who on the basis of high school accomplishments, show promise of making an exceptional contribution to the country, as judged by panels of business and education leaders. This national effort, which would provide four-year scholarship grants, would encourage students to continue their pursuit of excellence. Federal efforts to encourage access and equity for college students through financial aid are briefly addressed, as are merit awards granted nationally and by states and institutions. Components of the new proposal include the following: winners would be selected through community, state, and national committees; the awards would be called "Learning for Leadership Grants"; the grants would be $2,500 each year for up to 4 years; and winners would receive grants from the resources "Learning for Leadership Trust" funded through private corporation and individual subscriptions. In addition to encouraging achievement of promising youth, the following objectives are identified: helping students to choose suitable colleges; providing aid substantial enough to make a difference; and maintaining efforts to provide equal access to all. (SW)

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Session 85
Friday, March 16, 1984

INVESTMENT FOR AMERICAN LEADERSHIP*

Dr. Gary L. Jones
Under Secretary
U.S. Department of Education

Rewards. Recognition. Merit. Incentives. Excellence and equity.

The public consciousness is awakening to some half-forgotten words that connote a national renaissance in education. For example, we're emphasizing incentives for our teachers, such as merit pay and master teacher plans, to motivate better performance and to reward its achievement.

What about the honors bestowed on success at the Olympics? The World Series, the College World Series? The Super Bowl, the Rose Bowl, the Orange Bowl, and a dozen other football bowl games? Or the NCAA Tournaments, the NIT? What about the World Cup, the Stanley Cup, America's Cup, the Davis Cup, the Boston Marathon? And high school State tournaments for football, basketball, track, golf, swimming?

At the National Forum on Excellence in Education, Senator Richard Lugar of Indiana reflected upon the double standard by which we judge excellence among our Nation's youth. "We stand on our heads," he said,

> to stimulate athletic achievement, and our children achieve in spectacular fashion. Underpaid or even unpaid coaches bask in community esteem. But when it comes to academic achievement, we have still not caught the spirit. This is the crisis of American education. . . . We have been a nation at risk because we have not cared enough about learning.

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According to the National Collegiate Athletic Association, virtually all major universities offer athletic scholarships to young men and women who excel in football, basketball, golf, field hockey and nearly every other sport one can name. This year, the NCAA estimates that 110,000 college students are receiving sports scholarships worth about $300 million. That is an average of over $2,700 per recipient, awarded without regard to financial need.

As a Nation, we have long accepted the return on our investment in athletic scholarships. Competitive sports, an American tradition, sharpen reflexes and build physical strength and stamina; they also encourage habits of discipline, teamwork and fair play that serve participants well in later life. In a more practical sense, as my colleagues here today are no doubt aware, athletic scholarships are justifiable on the grounds that athletes bring money to a school -- in the form of increased prestige or stadium receipts, for example.

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We have just seen the Winter Olympics and look forward to the Summer Olympics in Los Angeles next August. What we saw at Sarajevo was the culmination of years of lonely, painful practice, during which our athletes developed the skills and the courage to keep on going even when it hurt -- the courage that saw them through the supreme efforts they made.

It is time for us to bring to youth with other talents the same full recognition we have accorded superlative athletes -- the recognition that:

- o excellence matters;
- o excellence demands extraordinary effort; and
- o excellence should be honored.

How do we show this honor? What do we offer to those students who will one day be the

. . . entrepreneurs creating jobs in the nation's factories and offices
. . . diplomats seeking to promote peace,
. . . contributors to the marketplace of original ideas,
. . . teachers of the next generation of Americans,
. . . individuals who enrich our moments of leisure and contemplation?

President Reagan announced a new effort to promote elementary and secondary school academic achievement during his speech at the recent National Forum on Excellence in Education. "The President's Academic Fitness Awards" will honor students who have attained a high level of performance while pursuing a solid core of academic courses. Over time, these awards should be as successful in motivating students to strive toward their full academic potential as the long-standing President's Physical Fitness Awards have been in encouraging higher standards of physical fitness.

What I would like to suggest -- speaking as an educator eager to spark a constructive discussion, not as an Administration spokesman making an official proposal -- is a new, national program of merit scholarships for high school students about to enter college.

The objective of this program would be to identify students who, on the basis of their accomplishments in high school, show promise of making an exceptional contribution to this country -- through outstanding leadership, artistic accomplishment, community service, or intellectual brilliance -- as judged by panels of business and education leaders.

This national effort would provide four-year scholarship grants to these young Americans. It would show that we as a Nation recognize achievement, and it would encourage them to continue their pursuit of excellence.

Although a merit scholarship program would be a national initiative, it should not be a Federal program, nor should it in any way lessen our national resolve to assist those with financial need. The Federal Government has a well-defined traditional role in education, which includes promotion of access to educational opportunity as a means of ensuring equity.

- o It has given help to special populations, such as those who are disabled, disadvantaged, or limited in their English proficiency.
- o It has protected civil and constitutional rights to equal opportunity in education.
- o It has encouraged and conducted research on learning.
- o And -- this gets to our subject here -- it has provided billions of dollars in Federal appropriations for student financial aid.

Federal efforts to encourage access and equity for college students go back a long way. Our grant, loan and work-study programs aim to overcome financial barriers to higher education.

More than 12 million students are now enrolled in our colleges and universities, with another million in proprietary schools. Federal student assistance programs help about 4.5 million of these students every year.

Students can get up to $1,900 a year in gift assistance under Pell grants and an additional $2,000 a year through the Supplementary Educational Opportunity Program. They can also earn $1,500 a year participating in College Work-Study. All of these Federal awards are based on financial need.

Subsidized loans up to $2,500 annually are also available under the Guaranteed Student Loan Program (GSLP), which requires a means test for students whose families earn more than $30,000 a year. Students can receive National Direct Student Loans (NDSL), up to $3,000 culumative over the first two years of postsecondary education, up to $6,000 culumative over four years and up to $12,000 cumulative for graduate students -- inclusive of the undergraduate loan. The actual amount of an NDSL depends on need. In addition to all these, auxiliary loans are available to parents and graduate students under the GSLP.

Federal funding for these programs has grown dramatically since the mid-70's. In 1975 Federal grant and loan support available for students stood at $2.2 billion. This year it is $11.8 billion.

Recent amendments have helped direct benefits to those who need them most. We have moved to assure that aid under the Guaranteed Student Loan Program goes to those families and students truly in need, and we have tightened eligibility rules for Pell grants. Proposals included in the President's budget for the 1985 fiscal year would further emphasize the responsibility students and parents have to finance college costs.

- o Under those proposals, students would satisfy a minimum "self-help" requirement before they qualified for a grant.
- o Students could receive individual grants as large as $3,000 a year to supplement self-help (compared to $1,900 now).
- o There would also be a large increase in the College Work-Study program.

The package as a whole would target Federal assistance more directly to the students who need it most, and at the same time give colleges and universities more flexibility in adjusting financial assistance packages to meet the particular requirements of their students.

According to the College Board, approximately 70 percent of all financial aid for college students is provided through these Federal need-based programs. This Administration will continue its efforts to direct scarce Federal dollars to the needy student.

These Federal efforts are crucial, both as a matter of basic fairness and to assure that our most highly educated citizens represent the broad diversity of our society. But I believe these governmental efforts are not sufficient to meet the public interest in nurturing our most promising talent -- those among our young people who have the potential to make the greatest contributions to America's future. We must motivate those who can excel to stretch their efforts to the limit.

Until the early 1960s, merit scholarships were fairly common on the Nation's campuses. Aid was routinely awarded to students on the basis of high school grades or competitive exams as well as need. Scholarship students were an honored group; the community understood that these students were attending a college or university not simply because their parents could pay their tuition but because they had distinguished themselves. Scholarships guaranteed that it was possible for students of modest financial means to move upward by proving their own ability, and they recognized the justice of giving promising students the means to further their education, looking forward to the future contribution they would make to their community.

Over the past two decades we have broadened the opportunity, and the means, for all students to further their education. Yet the special honor that used to go with scholarship assistance seems to have disappeared.

Over these same two decades, academic achievement in high school has declined in importance as a prerequisite for receiving financial assistance and as a requirement for admission to college. Indeed, by 1980, over one-third of all colleges and universities reported no admissions requirements whatsoever, save graduation from high school.

Perhaps it is not a coincidence that as the requirement to demonstrate achievement was removed, the performance of our best students grew more disappointing. One half of the Nation's population of gifted students do not match their tested ability with comparable achievement in school. Between 1972 and 1982, the number of American high school students scoring more than 650 points (out of a possible 800) fell 45 percent on the verbal section of the Scholastic Aptitude Test and 23 percent on the math section. Over the same period, the number of students taking the test declined only 3 percent.

Of course, merit scholarships have not vanished altogether. The National Merit Scholarship is perhaps the best known example. Each year, approximately one million high school juniors take the Preliminary SAT. On the basis of their performance on this test and the final SATs, high school

transcripts, and other indicators, 5,500 high school seniors receive cash awards and the honor of being named a National Merit Scholar.[1] Only about one-third of these National Merit Scholars are based, however, on the basis of merit alone. Most of the grants (some 3,700 of them) are awarded to students who elect to enroll in certain schools or colleges that participate in the program or meet criteria established by the companies that sponsor corporate National Merit Scholarships. Of the $18 million in merit grants awarded by the National Merit Scholarship Corporation last year, less than ten percent was in the form of $1,000 scholarships awarded 1,800 students solely on the basis of merit.

Moreover, the $1,000 grant has not been adjusted for inflation since the 1960s. For many students, it represents less than ten percent of the cost of one year of college. It is not renewable. For these reasons the National Merit Scholarship program can only be considered a "pilot" for a greater national effort.

There is also a tradition of merit-based awards being offered by institutions and the States. According to a recent survey by the College Board, no-need academic scholarships were given by colleges and universities to about 3 percent of all undergraduates this past fall.

Even this minimal commitment to rewarding academic excellence has sparked an important debate in academia. Some have condemned merit awards as "prize money" that provides "windfall benefits" to upper- and middle-income students. Others question the integrity of institutions that provide such scholarships and carry on an "unseemly competition" for students.

While it is understandable that institutions should offer merit awards to promising prospective enrollees, such "price discounts" are conditional; they are of benefit only to a student who selects the offering institution. Wouldn't it be better if these funds were available to academically outstanding youngsters before they had to select a school? Wouldn't it be better if those who deserve merit awards could take them to the institution that best meets their needs?

Some States provide merit-based awards. According to an annual survey conducted by the National Association of State Scholarship and Grant Programs (NASSGP), 26 States made merit awards during the current academic year, although almost 80 percent of the dollar volume of those grants was concentrated in five States. Furthermore:

- Usually students must remain in State to retain their eligibility, for awards;

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[1]The Merit Scholars are drawn from a larger pool of students who also receive recognition from the National Merit Scholarship Corporation (NMSC). "Letters of Commendation" were presented last year to the 36,500 students who scored in the top 5 percent on the PSAT but were not chosen to advance to "Semifinalist" status. In addition, the 13,900 finalists (including the 5,500 "Merit Scholars") were awarded "Certificates of Merit." About 1,600 students who did not qualify for "Merit Scholar" status were awarded NMSC financial assistance under special categories.

- o Very few of these awards (involving about 18 percent of available funds) are based solely on merit; and
- o These no-need awards are small, averaging less than $400 a year.

All of these together -- National Merit, institutional awards, State grants -- fail to meet the emerging national need that I see. I am proposing a national initiative to identify young men and women who show great promise for leadership and to award them a "Learning for Leadership Grant."

- o Winners would be selected through community, State and national committees, composed of leaders from the public and private sectors, university scholars and administrators, and representatives from the arts, sciences, and other fields of endeavor.

- o "Learning for Leadership Grants" would be $2,500 each year, up to four years.

- o Winners would receive grants from the resources of a new "Learning for Leadership Trust" funded through private corporation and individual subscriptions. An endowment of $500 million would support four-year scholarships for 20,000 students. An initial investment of $125 million would generate enough interest and dividend income to support a first group of 5,000 students for four years.

My proposal combines some new elements with others that may be familiar to higher education audiences. As I have noted, for example, some National Merit Scholarships are awarded on the basis of merit, as would be the case for these new grants. I would, however, extend the applicant pool to take in a broader group of our promising young people. The committee selection process I have described would be patterned after the Truman, Marshall and Rhodes scholarship panels that involve a wide spectrum of our citizens to identify winners. The use of corporate donations to expand the size and number of merit-based awards has been advocated by Dr. A. Stephen Higgins in the Spring 1983 College Board Review. The Public Affairs Council of Washington, D.C. has also considered how major corporations might participate to a greater extent in support for merit-based scholarships. My proposal would go beyond these to create a trust fund that would avoid the crises and instability of annual campaigns.

The funding I'm suggesting here may sound like a large amount for the private sector compared to the estimated $1.1 billion corporations contributed to higher education last year. In fact, however, a $125 million down payment represents just one-tenth of one percent of the after-tax profits of the top 1,000 U.S. corporations identified by Fortune magazine in 1983.

Of course, a number of individuals could look at corporate profits and claim that their pet project deserves a share of the pie; if all the worthy causes lined up at the doors of the Fortune 1000, there might be nothing left for the shareholders. But it is also true that corporate giving to all causes amounted to only 1.7 percent of pre-tax income in 1982. We have not tapped an important resource. A national program of "Learning for Leadership Grants" could attract significant corporate support if companies recognize their

stake in the education of future generations, and if responsibility for administering the program is not laid at their doorstep.

"Learning for Leadership Grants" would give students with particular abilities a special incentive to seek out the best possible education -- one that is suited to their needs and capabilities. Those who worry that the new attention to excellence in education will be at the expense of equity and access miss the point badly. Excellence in education is the indispensable prerequisite if equal access is ever to effect its aim of releasing disadvantaged students from the restraints imposed on them by their past. Otherwise, equal opportunity is merely a hollow slogan, or at best a token of good will, without any promise of substantial improvement.

The general direction we need to take to restore our national commitment to excellence is laid out in the recent report of the the National Commission on Excellence in Education, and it is up to each State and local school district to study what particular steps are needed in its own situation. The National Commission put special emphasis on the need to raise standards and expectations.

Consider the moral effect on students and teachers of relaxing standards and inflating grades. If academic achievement is nothing very difficult, then it is nothing very interesting either. When the challenge of teaching and learning disappears into the easy assurance that we are all doing well enough, those who have staked their all on doing their best lose heart.

This applies to teachers and students alike. Why strive and make sacrifices for honors bestowed on everyone? Without special recognition for outstanding students, we belittle their achievements. In order to raise standards for everyone, we must encourage a high level of achievement for all as a visible sign of our determination. At the same time, we must also make sure we open the way to students who can go beyond those standards. Our most fundamental document explains that equal rights are required for simple justice because of the self-evident truth "that all men are created equal." But when you try to equalize honors, you take them away.

It does not diminish our traditional respect for equality to give people with equal rights the chance to seek unequal rewards for special effort, talent or achievement. To remove this opportunity would remove the incentive for spirited men and women to set and achieve their goals. America would offer her people only a dull life with no focus for their aspirations at the risk of engendering discontent and frustration among those citizens whose contributions mean the most to our nation's future.

In every land some citizens rise to positions of honor. The special genius of our land is that among us these distinctions are earned by citizens who begin with an equal chance, and they are offered as a reward for making a contribution to the community. The moral effect of offering scholarships to students with merit is to teach them, and the other students by their example, that citizenship in the full sense entails the responsibility of self-improvement.

The crisis in American education has roots that are long-standing and complex, but we should not despair of our ability to find our way towards excellence. Excellence in education can never be taken for granted; it is never business as usual. Excellence in education takes steady devotion to the idea that learning matters. The national interest in education is to give all our citizens a yearning to learn, both for themselves and for their children. We need to give meaning to the idea, from the White House to the school house, from Congress' halls to town halls, that learning is essential not only to the individual, but to the advancement of civilization itself.

In sum, my proposal would:

- o honor and encourage the achievement of our most promising youth;
- o better enable students to choose institutions that best meet their needs and nurture their talents;
- o provide aid that is substantial enough to make a difference; and
- o maintain our effort to provide equal access for all.

The idea I am proposing is an investment in American leadership. It offers one way to help our best students come alive to learning -- to encourage a new generation of parents and teachers who emphasize the importance of learning, and to re-establish America's belief that learning, scholarship, and talented minds are vital to the advancement of our Nation and to the perfection of every individual.